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Latest SEC Charges Against BofA Answer Congressional Investigation
Kucinich Subcommittee Findings Triggered Expanded Enforcement

WASHINGTON, D.C. (January 13, 2010) – Chairman Dennis Kucinich (D-OH) today stated that the Securities and Exchange Commission's (SEC) decision to file charges against Bank of America (BofA) for its failure to disclose mounting losses at Merrill Lynch was a response to findings made during the Kucinich subcommittee's 9-month investigation of the merger.

Kucinich chairs the Domestic Policy Subcommittee, which held five joint hearings on the matter with the Oversight and Government Reform Committee.

Subcommittee investigators found several potential violations of securities laws. On December 10, 2009, the Kucinich subcommittee staff sent a memo to majority members on the Oversight Committee and the Domestic Policy Subcommittee outlining potential legal violations committed in the BofA/Merrill Lynch merger. During the fifth Congressional hearing on the subject, Mr. Robert Khuzami, the Director of the Division of Enforcement at the SEC, agreed that SEC would investigate the potential violations.

"Our investigation showed that Bank of America and its lawyers withheld important information from shareholders about mounting losses at Merrill Lynch before the shareholder vote on the merger. Yesterday, the SEC announced that they agree with the findings of our investigation and will prosecute securities law violations against Bank of America," said Kucinich.

"Shareholders need vigorous enforcement of the law by the SEC. Years of neglect and deliberate non-enforcement under former Chairman Christopher Cox coincided with the explosion in complex, exotic and now toxic investments. Hopefully, the actions taken by Chairman Mary Schapiro to resurrect the agency, including yesterday's announcement of further charges against Bank of America for withholding important information from shareholders prior to the merger vote, signals a much needed change," added Kucinich.

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